

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

INFORMAL SESSION

April 19, 2004

The Board of Supervisors of Maricopa County, Arizona convened in Informal Session at 9:00 a.m., April 19, 2004 in the Board of Supervisors' Conference Room, 301 W. Jefferson, Phoenix, Arizona, with the following members present: Andrew Kunasek, Chairman, District 3; Fulton Brock, District 1; Don Stapley, District 2, (arrived late), Max W. Wilson, District 4, and Mary Rose Wilcox, District 5, (arrived late). Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Administrative Coordinator; David Smith, County Administrative Officer; and Paul Golab, Deputy County Attorney. Votes of the Members will be recorded as follows: (aye-no-absent-abstain).

PRESENTATION REGARDING DEVELOPMENT OF THE FY 2004-2005 BUDGET

Presentation regarding the development of the FY 2004-2005 budget. (C49040238) (ADM1828)

Sandi Wilson, Deputy County Administrator
Chris Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director
Lee Ann Bohn, Budget Administrator, did not attend

Sandi Wilson gave the three issues that she felt would cause some worry for the upcoming budget, as follows:

- Impact of the State's budget.
- Cost to open the new jail and juvenile detention center
- Transition to the Special Health Care District

She remarked that today, she would concentrate on the first two and said this year's State Budget is not expected to be finalized until sometime in June, which will cause a delay in planning the County's budget.

She reviewed several items that could heavily impact Maricopa County directly or indirectly, depending on the State's final budget decisions. Discussion ensued.

~ Supervisor Wilcox entered the meeting ~

Ms. Wilson next identified and explained some of the mid-year adjustments that were primarily made in the Criminal Justice System, which impacted the General Fund and the Detention Fund by a total of \$21 million in FY 03-04 and expected to impact FY04-05 by nearly \$33 million. Chris Bradley gave additional information on the Detention Fund identifying \$12.6 million in costs for staffing increases for the new jail and juvenile center in FY03-04. He said it was surprising to find that the ability to hire staff has lagged behind the ability to fund them. Total mid-year Detention Fund adjustments for FY 04-05 are expected to total \$18.9 million. Discussion ensued on this and on revised cost projections for FY06 and FY08 for new and renovated jail facilities and their staffing needs. Mr. Bradley indicated that in most areas of the budget, costs have exceeded expectations and the budget has to absorb these differences.

~ Supervisor Stapley entered the meeting ~

Regarding ICJIS, Mr. Bradley indicated the issue of current operation and maintenance costs and the upcoming decision on future direction for ICJIS, which is currently in Phase One, were currently under review. The CIP budget and completion of many facilities next year should see the closeout of the Capital Projects Budget.

Ms. Wilson indicated that there would be a delay in reporting on the MIHS "worse-case budget" as several new issues are being identified daily and the report will have to be revised. In response to a question from Supervisor Wilcox, Ms. Wilson said that "we think that the worse-case could get worse – but we don't know that yet." She said they greatly appreciate the input being received from FRG as they complete their study of the situation at MIHS in preparation for the transfer to the new Special Health Care District (SHCD) next January. She also indicated that because of the "worse-case budget" delay and the State budget issues they don't want to complete the tentative 2004-05 budget until more is known and the budget calendar will be delayed.

Chairman Kunasek asked the Government Relations staff to keep the Board apprised of the State's budget developments, especially the ALTCS shift proposal being considered.

PRESENTATION REGARDING GOVERNING BODY'S BYLAWS FOR THE OPERATION OF MARICOPA INTEGRATED HEALTH SYSTEM

Discussion regarding the Governing Body's Bylaws for the operation of the Maricopa Integrated Health System. (Continued from meeting of April 7, 2004.) (ADM2205)

Tom Manos, Chief Financial Officer/Transition Team Leader

Ted Shaw, Interim CEO, MIHS

Louis Gorman, Deputy County Attorney, Division of County Counsel

Tom Manos said that the primary motivation for amending the bylaws at this point is the upcoming JACHO Survey in August or September. The Survey is done on a three-year cycle and changes have been made to the JACHO Standards since the last survey, with special emphasis being placed on governance and leadership. In order to insure that MIHS does as well as possible, Mr. Manos asked Tom Matherly of FRG to review the bylaws before the survey takes place. Mr. Matherly recommended 15 modifications and County Counsel has incorporated them into the bylaws, which Mr. Manos handed out. He said these would be discussed today and would be an action item at the formal meeting on Wednesday, April 21, 2004.

Lou Gorman discussed specific bylaw changes with the Board. He commented on the recent attendance of Chairman Kunasek and Supervisor Wilson at the MIHS Governance and Professional Practices Committee meetings and said provisions had been made in the revised bylaws to also allow citizen members to participate at these meetings. The goal is to get Board members more familiar with the accreditation process. He added that Supervisors Stapley and Wilcox have agreed to act as the liaisons between the Medical Center and the Joint Commission of JACHO. He said that FRG and MIHS are putting a tutorial together to assist in responding to the questions that will be asked during the survey.

Supervisor Wilson asked that the bylaws call for monthly meetings for the Board to be briefed on the financial situation at the hospital and Ted Shaw said that would be his recommendation as well.

Questions were raised and discussion ensued on medical staffing, the election of the medical staff president and the fact that the Board would not have veto power at meetings but could articulate their interest in matters.

Chairman Kunasek asked if the medical staff bylaws are obligated to be in conformance with the policies set by the Board of Directors. Mr. Gorman responded that the governing body can enact rules, regulations and set policies pertaining to the provision of care and that there are some areas where they would have unilateral authority. The medical staff would primarily focus on rules and policies for the traditional practice of medicine and medical care. He said that there are questions on how involved they can get in the day-to-day governance. When asked if the staff was obligated to follow policy set by the governing body, Mr. Gorman said, "yes."

Several other changes were discussed between Board Members and Mr. Gorman. Mr. Gorman said the revisions were modified from the bylaws of the now defunct Hospital Board and some of the wording may need further revision to reflect the changed status. Among items discussed were specific duties of the governing body, the medical staff and the clerk's duties. Several bylaw phrases will be reworded at the Supervisors' request. It was suggested that the new SHCD Board of Directors be advised to create a strategic plan when they assume governing duties of the hospital in January 2005.

Chairman Kunasek said that the Chair was designated as a non-voting member on all governing body committees and asked for clarification on members, other than Board members, on those committees and which committees were included in this. He asked if it would be possible to include an option for the "Chair's designee" to be listed in the bylaws.

The two standing committees listed in the revised bylaws are the Professional Practices Committee and the Finance Committee. Special committees that could be created by the Chairman include a Nominating Committee, a Bylaws Committee and any other special committee so desired. After some discussion it was determined that the Board Chairman would not automatically act as the Chair of any committee he is on. Chairman Kunasek brought up the Professional Practices Committee (PPC) and asked if the Director of Medical Education should be on that committee. Mr. Gorman responded that this was a question of policy and for the Board or MIHS Administration to decide.

Ted Shaw said that he would have no objection to having the head of Medical Education on it because supervising the residents and insuring that policies and practices are executed are part of his duties and that person's involvement would be helpful.

Supervisor Stapley said that would give ten members on the PPC instead of nine. Mr. Gorman asked if that member would be voting or non-voting. There are already three non-voting members. Chairman Kunasek suggested this be a voting member and Supervisor Wilson concurred. Mr. Shaw suggested also adding a person from the FHP's (Family Health Plans) saying that having a nurse on that committee would make sure that line of business was represented (Department of Community Medicine). Chairman Kunasek agreed.

On the Finance Committee, Mr. Shaw said he, as CEO, had no need to be a member but felt that the CFO should be a voting member and have direct communication with the Board. Supervisor Stapley agreed with this change (removing the CEO, keeping the CFO as a member of the Finance Committee), as did Sandi Wilson. Three residents could now be appointed to this committee. Tom Manos suggested that the three at-large seats go to Sandi Wilson, himself and a community member. Supervisor Stapley suggested that Merwyn Grant, who had served as the Chairman of the Task force, be appointed to fill the fifth seat of the Finance Committee.

Discussion ensued on other changes including conflict resolution and contract approval. Procurement issues included the dollar limit and other aspects of Article 13 Procurement Guidelines.

Supervisor Brock asked if the recommendations on the State and County Auditor's reports are reviewed to see if they are actually ever implemented.

Mr. Manos assured him that the County Auditor, Ross Tate, has an excellent follow-up system in place with quarterly and annual reports processed and forwarded to David Smith. Departments in violation of the implementation plans receive a letter regarding compliance. The State Auditor also follows up and lists any non-compliance when he makes his yearly report. Supervisor Brock said he thought it would be good for the Board to also receive a copy of the yearly reports, and he recommended that a similar system be suggested to the new Special Hospital District Board.

Supervisor Wilson re-examined the procurement code on dollar level approvals and said that the leniency granted by the Board several years ago had resulted in some abuses and he felt it was time for the Board to once again begin to review contract renewals before they are extended rather than after the fact.

Supervisor Wilcox asked, "Are we going to vote on all of them or just review them and if we see something we don't like call it to their attention. If we vote on all of them ... it does bog down the system." She pointed out that posting and scheduling items for a Board meeting takes time and shipments could be delayed.

Supervisor Wilson replied, "I really don't have any objection to voting on these, if it does bog it down a little it's just going to be for three or four months till we get a handle on it – and it won't slow the system down any more than what we're going through now."

Ted Shaw said, "If you take a look at the list we are going to provide to you, you can then make your decision on how long you want to review and approve them. I have no problem supplying them for review and encourage you to get involved. If it becomes a problem I will work it out with Mr. Smith and Mr. Manos and we will let you know." He added, "I wasn't aware that you weren't seeing everything already."

Chairman Kunasek commented that there had been problems with contract renewals throughout the county and it wasn't just with MIHS. "It's almost like no one is managing the contract and all of a sudden it's expired and we've got a crisis to deal with." He asked about a system that would keep track of all County contracts so that recommendations to rebid or extend them can be made before they have expired. He indicated that the management of contracts should be tightened up in all departments.

David Smith said that MIHS has their own Contract Administrator and Director of Materials Management. Contract planning and contract administration are basic functions for these people. "We have been disappointed and constantly reminding MIHS over past months and years that there should be no retroactive contracts, and yet we would continue to see them come to us from the Contract Administrator." He said that the new MIHS administration is looking into this and searching for methods of correcting it. Mr. Shaw added, "But you haven't seen the last of them yet."

Clerk of the Board, Fran McCarroll, pointed out that a standing agenda item would be an alternative to posting a contract renewal on Agenda Central and would expedite the process. A standard section could be set-up for use on all agendas, and 4-5 days prior to a specific meeting date Mr. Shaw could present a list to insert in that agenda. This would be similar to the Solicitation Serial section on agendas now. She offered to explore this solution with County Counsel and bring it back to the Board at the April 21st meeting.

The Board also reviewed volunteer groups and individual volunteers. Issues discussed included the approval process, registration, background checks, certification and HIPPA training. Checks and balances were discussed on proper action to take for any volunteers that are deemed undesirable for whatever reason, and if refusing a group could result in legal action being brought. It was decided that a sentence be added on the registration form to indicate that all volunteers must act in ways that are consistent with the overall mission and policy of MIHS and must also have the approval of the CEO.

Chairman Kunasek directed staff to make the necessary changes to the bylaws and bring them back on April 21 for final approval.

EXECUTIVE SESSION CALLED

Pursuant to A.R.S. 38-431.03, motion was made by Supervisor Wilcox, seconded by Supervisor Wilson, and unanimously carried (5-0) to recess and reconvene in Executive Session to consider items listed on the Executive Agenda dated April 19, 2004, as follows.

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION -- ARS §38-431.03(A)(3) AND (A)(4)

1. **Compromise Cases** – Flabio Aispuro, Trinidad Arellanes, Juan Bautista, Louise D. Bond, Joel Carrillo, Douglas Chambers, Hector Gonzalez, David Hemphill, Davon Johnson, Cheryl Joubert, Betty Linz, Irene Olivares, Muhammad Safiullah, Angel Thibodeaux, Maxine Whidden.
Barbara Caldwell, Outside Counsel
2. **Write-Off Cases** – Terry Cahalane, Francisca Cota, Margaret Armijo, Edward Lewis Chaplin, Donna Jean Edwards, Tracy Wayne Marble, Marueen T. Richards, Kevin Dale Sullivan, Kenneth Boetticher, Raul Classen, Ryan Cluff, Richard Nelson Cool, Leslie Downing, Travis Lewis Wood, John Scott Elmer, Jose Louis Wilson Gonzalez, Gloria Morqueco, David Navarro, Randy Nez, Susan Dian Osborn, Dawn Marie Sansone, Jeffrey Richard Taylor, Geo. Anthony Thompson, Ismael Angel Barriga Torres, Wm. Henry Vincent.
Barbara Caldwell, Outside Counsel

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION -- A.R.S. §38-431.03(A)(3) AND (4)

3. **Contract negotiations: MedPro C90020591**
Legal Advice: Contract: Potential Litigation: Conduct within the Department of OB/GYN
Tom Manos, Maricopa County Chief Financial Officer/Transition Team Leader
Richard M. Romley, Maricopa County Attorney
Christopher Keller, Chief Counsel, Division of County Counsel
Ted Shaw, CEO, MIHS
Tim Casey, Attorney-at-Law, Outside Counsel, Snell & Wilmer
Bill Sims, Esq., Outside Counsel

MARICOPA COUNTY BOARD OF SUPERVISORS MINUTE BOOK

INFORMAL SESSION

April 19, 2004

LEGAL ADVICE; PENDING OR CONTEMPLATED LITIGATION; CONTRACTS SUBJECT TO NEGOTIATION; PURCHASE, SALE OR LEASE OF REAL PROPERTY -- A.R.S. §38-431.03(A)(3), (4) AND (7)

4. Centerre Rehabilitation Hospital of Arizona, LLC

Tom Manos, Maricopa County Chief Financial Officer/Transition Team Leader
Christopher Keller, Chief Counsel, Division of County Counsel
Sandi Wilson, Deputy County Administrator
Ted Shaw, CEO, MIHS
Steve Ellis, MIHS, Director of Materials Management
Bill Sims, Esq., Outside Counsel

MEETING ADJOURNED

At the conclusion of discussion on the matters listed above, the meeting was adjourned.

Andrew Kunasek, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board